

**Fiscal Services Division**  
**Legislative Services Agency**  
**Fiscal Note**

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HF 503 - Family Opportunity Act (LSB 2122 YH)  
Analyst: Jess Benson (Phone: (515) 281-4611) ([jess.benson@legis.state.ia.us](mailto:jess.benson@legis.state.ia.us))  
Fiscal Note Version – New

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**Description**

House File 503 adds a Medicaid buy-in provision for individuals under 19 years of age with disabilities whose family income or resources are at or below 300 percent of the federal poverty level. The Bill also charges a premium to families between 100 and 300 percent of the federal poverty level (FPL). The Deficit Reduction Act of 2005 allows States to give Medicaid eligibility to children who meet the Social Security Administration standards for disability but also exceed the related eligibility limits for income or resources.

**Assumptions**

- An additional 93 children would become eligible for Medicaid in FY 2008, rising to 137 in FY 2009.
- The monthly cost for eligible children is \$940.
- An estimated 25.0% of participants would be assessed a premium with an average premium of \$43. The premium cannot be more than 5.0% of family income for families with incomes between 100% and 200% of FPL and not more than 7.5% of family income for families with incomes from 200% through 300% of the FPL.
- Because changes would not be able to be implemented until September 2007, there would be only 10 months of eligibility in FY 2008.
- A total of 1,550 hours at a rate of \$75 an hour would be required to make changes to the computer system.
- The State share of the Federal Medical Assistance Percentage (FMAP) for FY 2008 is 38.21%.

**Fiscal Impact**

House File 503 is estimated to be a net decrease to the General Fund of \$386,000 in FY 2008 and \$583,000 in FY 2009.

**Source**

Department of Human Services

/s/ Holly M. Lyons

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March 19, 2007

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The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.

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